

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** By **CHAIRMAN DANIEL FUCHS**, on March 31, 2003 at 7 A.M., in Room 152 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Daniel Fuchs, Chairman (R)  
Rep. Ronald Devlin, Vice Chairman (R)  
Rep. Ron Erickson, Vice Chairman (D)  
Rep. Joan Andersen (R)  
Rep. Joe Balyeat (R)  
Rep. Gary Branae (D)  
Rep. Eileen J. Carney (D)  
Rep. Jill Cohenour (D)  
Rep. Larry Cyr (D)  
Rep. Gary Forrester (D)  
Rep. Kim Gillan (D)  
Rep. Verdell Jackson (R)  
Rep. Bob Lake (R)  
Rep. Carol Lambert (R)  
Rep. Jesse Laslovich (D)  
Rep. Jim Peterson (R)  
Rep. John (Jack) W. Ross (R)  
Rep. Karl Waitschies (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Kathleen Ely, Committee Secretary  
Jeff Martin, Legislative Branch

**Video-taped Committee:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. A video-taped recording of the meeting is available from the Montana Historical Society. THE TIME STAMP REPRESENTS ELAPSED TIME.

**Committee Business Summary:**

Hearing & Date Posted: HB 765, 3/27/2003; HB 769,  
3/28/2003; HB 763, 3/26/2003; HB  
767, 3/28/2003; HJ 38, 3/26/2003  
Executive Action: HB 714, DO PASS AS AMENDED, 10-8  
HB 758, TABLED  
HB 767, DO PASS, 18-0  
HJ 38, DO PASS, 14-4  
HB 216, TABLED  
HB 755, TABLED

**EXECUTIVE ACTION ON HB 714**

**Motion:** REP. BALYEAT moved that HB 714 DO PASS.

**Discussion:**

03:00

**Motion/Vote:** REP. BALYEAT moved that HB 714 BE AMENDED. Motion carried unanimously by voice vote.

**EXHIBIT** (tah68a01)

**Discussion:**

15:00

**Motion/Vote:** REP. BALYEAT moved that HB 714 DO PASS AS AMENDED. Motion failed 9-9 with REPS. ANDERSEN, BALYEAT, DEVLIN, FORRESTER, FUCHS, JACKSON, LAKE, LAMBERT, and PETERSON voting aye by roll call vote.

**EXECUTIVE ACTION ON HB 758**

**Motion:** REP. DEVLIN moved that HB 758 DO PASS.

**Motion/Vote:** REP. DEVLIN moved that HB 758 BE AMENDED. Motion carried unanimously by voice vote.

**EXHIBIT** (tah68a02)

**Motion/Vote:** REP. COHENOUR moved that HB 758 BE AMENDED. Motion failed 6-12 with REPS. BRANAE, CARNEY, COHENOUR, CYR, ERICKSON, and GILLAN voting aye by roll call vote.

**EXHIBIT** (tah68a03)

**Motion/Vote:** REP. DEVLIN moved that HB 758 DO PASS AS AMENDED. Motion failed 6-12 with REPS. ANDERSEN, DEVLIN, FORRESTER, LAKE, LAMBERT, and PETERSON voting aye by roll call vote. CHAIRMAN FUCHS ruled THAT THE VOTE BE REVERSED AND TABLED without objection.

**HEARING ON HB 765**

**Opening Statement by Sponsor:**

1:01:00 REP. ERICKSON, HD 64 - Short Title: Generally revise  
tax structure.

**EXHIBIT (tah68a04)**

**EXHIBIT (tah68a05)**

**Proponents' Testimony:**

1:20:00 Mary Whittinghill, Montana Taxpayers Association  
1:22:00 Webb Brown, Montana Chamber of Commerce  
1:25:00 Riley Johnson, National Federation of Independent  
Businesses  
1:26:00 Gordon Morris, Montana Association of Counties  
1:30:00 Carl Schweitzer, Bozeman Chamber of Commerce, Kalispell  
Chamber of Commerce  
1:31:00 Todd Lovshin, MEA-MFT

**Opponents' Testimony:**

1:32:00 Gene Fenderson, Progressive Labor Caucus  
1:36:00 Don Judge, Teamsters Local 190

**Informational Testimony:** None.

**Questions from Committee Members and Responses:**

1:44:00

**Closing by Sponsor:**

1:55:00

**HEARING ON HB 769**

**Opening Statement by Sponsor:**

1:57:00 REP. BALLYEAT, HD 32 - Short Title: Generally revise tax  
structure.

**EXHIBIT (tah68a06)**

**Proponents' Testimony:**

2:04:00 Webb Brown, Montana Chamber of Commerce

**Opponents' Testimony:**

2:05:00 Gene Fenderson, Progressive Labor Caucus  
2:07:00 Don Judge, Teamsters Local 190

**Informational Testimony:** None.

**Questions from Committee Members and Responses:**

2:08:00

**Closing by Sponsor:**

2:14:00

9:19 a.m. Break

9:30 a.m. Resume

**HEARING ON HB 763**

**Opening Statement by Sponsor:**

2:31:00     **REP. GILLAN, HD 11 - Short Title:** Temporary increase in  
                  cigarette tax; transfer funds from coal trust fund and  
                  repayment.

**EXHIBIT (tah68a07)**

**EXHIBIT (tah68a08)**

**EXHIBIT (tah68a09)**

**EXHIBIT (tah68a10)**

**Proponents' Testimony:**

2:42:00     Dr. Robert Shepherd

2:44:00     Dick Paulsen, American Heart Association

2:45:00     Erin McGowan, Protect Montana Kids

2:46:00     **REP. WANZENRIED, HD 68**

2:49:00     Steve Yeakel, Montana Council for Maternal and Child  
                  Health Care

2:50:00     Jani McCall, Deaconess Hospital, St. Vincent's, Holy  
                  Rosary, St. James Hospital

2:51:00     Wally Melcher, MAIDS/MAR

2:55:00     Jim Aaronson, Montana Hospital Association

2:55:00     Joe Lamson, Office of Public Instruction

2:56:00     Mary Caferro, WEEL

**Opponents' Testimony:**

2:58:00     Jerome Anderson, R.J. Reynolds Tobacco Company

**EXHIBIT (tah68a11)**

**EXHIBIT (tah68a12)**

3:07:00     Amy Grymaycz, Phillip Morris

**EXHIBIT (tah68a13)**

**EXHIBIT (tah68a14)**

3:08:00     Gene Fenderson, Montana Progressive Labor Caucus

**Informational Testimony:**

3:12:00     Lee Bearlock, Department of Revenue

3:12:00     Roger Hagan, Montana National Guard Associations

**Questions from Committee Members and Responses:**

3:14:00

**Closing by Sponsor:**

3:18:00

**HEARING ON HB 767**

**Opening Statement by Sponsor:**

3:23:00     **REP. BRUEGGEMAN, HD 74 - Short Title:** Revise motor vehicle and driving record laws.

**Proponents' Testimony:**

3:27:00     Brenda Norland, Attorney, Department of Transportation

3:35:00     Kelly Mantooth, Project HOPE

**EXHIBIT (tah68a15)**

**EXHIBIT (tah68a16)**

3:41:00     Rich Olson, Discovering Montana

3:43:00     Sgt. Mitch Tuttle, Montana Highway Patrol

3:44:00     Joe Mazurek, Montana Interactive

3:45:00     Mark Taylor, Association of Montana Highway Patrolmen

**Opponents' Testimony:**     None.

**Informational Testimony:**

3:46:00     Tony Herbert, Department of Administration

**Questions from Committee Members and Responses:**

3:46:00

**Closing by Sponsor:**

3:51:00

**EXECUTIVE ACTION ON HB 767**

**Motion/Vote:**     **REP. LAKE** moved that HB 767 DO PASS. Motion carried unanimously by voice vote.

**HEARING ON HJ 38**

**Opening Statement by Sponsor:**

1:01:00     **REP. ERICKSON, HD 64 - Short Title:** Study taxation of the income, property, and consumption of Montana businesses.

**Proponents' Testimony:**     None.

**Opponents' Testimony:**

4:02:00     Webb Brown, Montana Chamber of Commerce

**Informational Testimony:**     None.

**Questions from Committee Members and Responses:**     None.

Closing by Sponsor:

4:04:00

EXECUTIVE ACTION ON HB 714

Motion/Vote: REP. FUCHS moved that HB 714 BE RECONSIDERED. Motion passed 10-8 with REPS. BRANAE, CARNEY, COHENOUR, CYR, ERICKSON, GILLAN, LASLOVICH, and WAITSCHIES voting no by roll call vote.

Motion/Vote: REP. FUCHS moved that HB 714 DO PASS AS AMENDED. Motion passed 10-8 with REPS. BRANAE, CARNEY, COHENOUR, CYR, ERICKSON, GILLAN, LASLOVICH, and WAITSCHIES voting no by roll call vote.

EXECUTIVE ACTION ON HJ 38

Motion/Vote: REP. ERICKSON moved that HJ 38 DO PASS. Motion carried 14-4 with REPS. BALYEAT, FUCHS, JACKSON, and WAITSCHIES voting no by roll call vote.

EXECUTIVE ACTION ON HB 216

Motion/Vote: REP. DEVLIN moved that HB 216 BE TABLED. Motion carried 14-4 with REPS. CYR, ERICKSON, GILLAN, and JACKSON voting no by voice vote.

EXECUTIVE ACTION ON HB 755

Motion/Vote: REP. ERICKSON moved that HB 755 DO PASS. Motion failed 7-11 with REPS. BRANAE, CARNEY, COHENOUR, CYR, ERICKSON, GILLAN, and LASLOVICH voting aye by roll call vote. CHAIRMAN FUCHS ruled THAT THE VOTE BE REVERSED AND TABLED without objection.

**ADJOURNMENT**

Adjournment: 11:42 A.M.

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REP. DANIEL FUCHS, Chairman

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KATHLEEN ELY, Secretary

DF/KE

**EXHIBIT** (tah68aad)